

25X1

INFORMATION REPORT

CONFIDENTIAL

COUNTRY Austria/USSR

DATE DISTR 23 Oct 50

SUBJECT Recent Developments in the Soviet Oil Administration (SMV)

NO OF PAGES

PLACE ACQUIRED

NO. OF ENCLS.
(LISTED BELOW)

DATE OF INFO.

SUPPLEMENT TO REPORT NO.

25X1

THIS IS UNEVALUATED INFORMATION

SMV Policy

- Recent developments seem to indicate that the Soviets are trying to institute certain economy measures and to alleviate the critical shortage of cash which has impeded routine operations throughout the SMV complex. During the week of 4 September 1950 SMV Headquarters directed the Purchasing Office to cancel an estimated 3,000,000 schillings worth of orders for non-essential materials. In the course of this same week SMV Headquarters released 4,000,000 schillings to the Purchasing Office to clear a debt to Mannesmann-Franzl A.G. and allocated 1,000,000 schillings for the purchase of work clothing. At the same time SMV Headquarters has authorized SMV enterprises to accept delivery of certain essential goods purchased on credit and has advised the Purchasing Office that it will release sufficient funds to cover these purchases. To implement this economy program SMV Headquarters is now trying to eliminate non-essential expenditures and once again SMV officials have been reminded that all procurement and purchasing will be handled solely through the Purchasing Office.

Refining

- Sometime during the week of 28 August 1950 a 500-ton shipment of pyrites consigned to the USIA-controlled Donau Chemie A.G. arrived at Vienna's Fraterspitz docks from Bulgaria. Shortly after this shipment arrived it was suddenly taken into custody by a unit of Soviet soldiers. To date the pyrites have not been released to Donau Chemie. Reasons for this action on the part of Soviet military authorities are not known. Meanwhile Donau Chemie continues to deliver sulfuric acid to various SMV refineries. During the week of 28 August Donau Chemie delivered one tank carload containing 15,370 kilograms of acid to Nova-Denow and one carload containing 15,500 kilograms to Voessendorf. The following week both the Kleeblatt and Moosbierbaum refineries sent trucks to Nova-Denow to pick up 1,000 kilograms of acid. On 5 September Nova-Denow received a small shipment of 3,000 kilograms, one full tank carload on 6 September and another on the ninth. A carload was delivered to the Moosbierbaum refinery on 11 September and both Korneuburg and Okeros refineries are scheduled to receive a carload on 13 September. No sulfuric acid has been allocated to the Shell and Vacuum Oil Company refineries during recent weeks. The Lobau refinery is still working full capacity on high-octane aviation gasoline for Poland.(1)

CONFIDENTIAL

CLASSIFICATION SECRET

STATE	NAVY	NSRB	DISTRIBUTION
ARMY	AIR	FBI	

This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 16 October 1978 from the Director of Central Intelligence to the Archivist of the United States.

Next Review Date: 2008

25X1

25X1

~~CONFIDENTIAL~~

CENTRAL INTELLIGENCE AGENCY

- 2 -

25X1A

3. The following are the estimated amounts of sulfuric acid which SMV refineries will require for the month of September 1950: (2)

<u>SMV Refinery</u>	<u>Number of Metric Tons of Sulfuric Acid Required</u>
Nova-Denow	210
Moosbierbaum	45
Kledering	45
Voesendorf	45
Korneuburg	15
Okeros	15
Vacuum Oil Company	45
Shell	30

4. Aderklaa

Following a number of unsuccessful attempts to bring Aderklaa well No. 14 into production, this well suddenly started to yield a clear golden oil which burns with almost no smoke.

5. Matzen

As a part of their plan for the development of Matzen oilfields the Soviets have started to expand the transportation facilities throughout this area. The SMV is now laying a double railroad track with several spurs leading to the new Matzen warehouse and a system of concrete roads. An SMV team which is checking equipment at the SMV Central warehouse at Neusiedl a/d Zaya for removal to Matzen is preparing to transfer 80 percent of all Neusiedl equipment to the Matzen area.

6. Procurement

SMV purchasing agents are now having considerable difficulty procuring barite, cement, structural steel and other types of oilfield equipment, and particularly 50 tons of carbides. (3) Because the SMV still cannot obtain hydrochloric acid in Austria it has been forced to import this commodity through Donau Chemie A.G. from Hungary. At the present time the SMV is purchasing about three tank carloads per month. (4)

7. SMV Purchases

During the period from 28 August to 3 September 1950 the SMV Purchasing Office paid cash for the following purchases:

<u>Firm</u>	<u>Item Purchased</u>	<u>Amount in Schillings</u>
"Standard" Ges. fuer Techn. Artikel	Rubber goods	19,149.25
* Teudloff-Vamag A.G.	Slide valves	54,000.00
* Wiener Kabel- u. Metallwerke	Wire	46,570.00
Ing. Ferdinand Eichler	Fittings	9,775.50

~~SECRET~~~~CONFIDENTIAL~~

~~CONFIDENTIAL~~~~SECRET~~

CENTRAL INTELLIGENCE AGENCY

- 3 -

25X1A

<u>Firm</u>	<u>Item Purchased</u>	<u>Amount in Schillings</u>
K. J. Baldauf (5)	Building material	163,608.90
Robert Hissl	Electrical material	27,039.50
Josef Altschul	Electrical material	7,439.12
Karl Storing's Atw.	Automobile repairs	3,560.50
Donau Chemie A.G.	Payment on account	141,075.00
* St. Egydyer Eisen-u. Stahlindustrie G.m.b.H.	Payment on account	55,184.50

8. The SMV Purchasing Office disbursed the following expenditures during the week of 4 September 1950:

"Seimperit" Gummiwerke A.G.	Rubber boots	965.25
"Standard" Ges. fuer Techn. Artikel	Rubber goods	45,166.21
Meielerwaren-Handels G.m.b.H.	Rope	43,193.00
Henhapel-Heine, Eisen-u. Eisenwarengrosshdlg. A.G.	Tool	10,532.22
Vladimir Slechta vorm. Lederer u. Nessenyi	Building material	22,287.00
Holzbaupark Franz Havlicek	Wood	13,280.90

9. During this same week the SMV also received delivery on the following items purchased on account:

<u>Firm</u>	<u>Item Purchased</u>
* G. Rumpel A.G., Siebenhirten	100 depth pumps, reconditioned
* St. Egydyer Eisen-u. Stahlindustrie G.m.b.H.	4 rolls of cable (Schlemmseile)
* Sichtermann Draht- u. Kabelvek G.m.b.H.	2 truckloads of rubber-coated cable
K. J. Baldauf	Building material

Shipments to the SMV Central Warehouse

10. The following shipments arrived at the SMV Central Warehouse in Neusiedl a/d Zaya during the week of 26 August 1950:

- 3 carloads containing 60,800 kilograms of pipe from Dayeprovsk.
- 2 carloads containing 40,160 kilograms of pipe from Khrompik.
- 1 carload containing 28,650 kilograms of pipe from Kizavod (sic).
- 1 carload containing 28,570 kilograms of pipe from an unknown origin in the USSR.
- 5 crates of ball bearings, weighing a total of 949 kilograms, from Stanko Import, Odessa.
- 5 crates of inclinometers (Geklinometer), weighing a total of 139 kilograms, from Maschin Import, Moscow.

~~CONFIDENTIAL~~

~~SECRET~~ CONFIDENTIAL

CENTRAL INTELLIGENCE AGENCY

- 4 -

25X1A

6 crates of equipment for the oil industry, weighing a total of 522 kilograms, from an instrument factory in Baku.

5 crates of hydroelectric generators (Dynamo-hydraulische Maschinen), weighing a total of 500 kilograms, from an instrument factory in Baku.

20,160 kilograms of graphite electrodes from Industrie-Chemie Zürich.

11. During the week of 4 September 1950 the following shipments from the USSR were received at the SMV Central Warehouse in Neusiedl a/d Zaya:

5 carloads containing a total of 82,940 kilograms of pipe from Dnyeprovsk.

1 case of ball bearings weighing a total of 104 kilograms from Stanko Import, Moscow.

5 cases of Karvernometer (sic) from Maschinen-Import, Moscow.

12. The SMV recently received a shipment of 20 tons of activated carbon which was purchased through Franz Reimann, Vienna representative of an unidentified German firm, for delivery to the Muehlberg oilfields.

13. SMV Training Program for Oilfield Personnel

The SMV recently opened a school for drill-masters which offers a year's training for adults and summer courses for Vienna high school students. (6) Trainees receive the same wages as experienced oilfield employees. All candidates for this training must be cleared by the Soviet Kommandatura and the Central Committee of the Austrian Communist Party before they are permitted to enroll in this school.

(1) [redacted]

25X1A

(2) [redacted] no explanation for the variation between these requirements and the estimated requirements he submitted only one week before; cf. [redacted]

25X1A

25X1A

(3) [redacted] Comment: "Chemia" Chemikalien G.m.b.H. has advised the SMV that it is not in a position to deliver carbides at the present time.

(4) [redacted] that Ebenseer Solvay Werke, sole Austrian manufacturer of hydrochloric acid, stopped selling this commodity to the SMV and to "Chemia" Chemikalien G.m.b.H.

25X1A

(5) [redacted] Comment: Of this amount 118,395.90 schillings represents SMV payment on account to this firm.

25X1A

(6) [redacted] Comment: This information on SMV training courses for drill-masters has been confirmed: [redacted] that [redacted] skilled personnel are frequently needed to replace drill-masters whom the Soviets have sent out under contract to work in the USSR.

25X1

25X1

* Firms marked by an asterisk are USIA-controlled.

CONFIDENTIAL